

EXHIBIT "A"

TERM SHEET FOR ICP AND CITY OF FRISCO LOCAL POLITICAL SUBDIVISION GRANT AGREEMENT

1. Inclusive Communities Project, Inc. ("ICP") and the City of Frisco ("City" or "Frisco") each agree to the provisions set forth in this Term Sheet and further agree that each provision in this Term Sheet is incorporated in the related Local Political Subdivision Grant Agreement ("Agreement") as if fully set forth therein, and is referenced therein as Exhibit A.
2. ICP shall grant TWO MILLION AND NO/100 (\$2,000,000.00) to Frisco and Frisco, by way of low interest loan or otherwise, shall make such grant funds available to developers of low income tax credit housing in the City of Frisco through the City's Request for Proposal ("RFP") process upon satisfaction of each of the following requirements set forth in this Term Sheet, including, but not limited to, the following:
 - a. As a condition of receiving said funding, an applicant developer is required to apply for and successfully receive a nine percent (9%) competitive low income housing tax credit award from the Texas Department of Housing and Community Affairs.
 - b. As a further condition of receiving such funding, said applicant developer must provide a twenty five percent (25%) set aside of units in the development for which class members as defined under the Walker Settlement Agreement who hold Section 8 vouchers would receive preference; i.e., first right of refusal, for a sixty (60) day period relative to said units. It is agreed by ICP and Frisco that this set-aside shall be the greater of 50 units or twenty five percent (25%) of each developed property. If a class member voucher holder is not able to occupy the unit at the end of such sixty (60) day period, then the unit would be made available to any other eligible family. The Parties agree that such set aside preference would not be limited to class members, but would apply to any Dallas

Housing Authority ("DHA") voucher holders referred to the property by the DHA or ICP.

The Parties understand and agree that the City of Frisco makes no representations or warranties that the proposed \$2 million grant shall be sufficient to support construction of multiple multi-family developments as envisioned by ICP.

3. The award of ICP's grant to the City and the award of any loan under this Agreement and incorporated Term Sheet shall be funded at the real estate closing or other occasion at which Frisco provides the funding to a developer of low income housing tax credit property under the terms of the Agreement and incorporated Term Sheet. It is agreed that the applicant developer(s) shall pay any related closing costs. It is further understood and agreed that no closing shall take place unless ICP has approved the terms of the funding agreement between the City of Frisco and the applicant developer, which agreement shall include the obligations imposed upon the Parties and developer by this Agreement and this Term Sheet. It is further hereby understood and agreed that the City and ICP may develop preferences for the selection process between multiple potential developers in awarding any such loan.

4. Frisco shall use the grant funding to provide financial assistance to one or more developers of multi-family rental housing eligible for low income housing tax credits pursuant to 26 U.S.C. Section 42, and which housing is not housing for older persons as defined by 42 U.S.C. Section 3607(b)(2). Frisco shall make such loan pursuant to Texas Government Code Section 2306.6710(b)(1)(E) and the relevant sections of the Texas Department of Housing and Community Affairs Qualified Allocation Plan for the year in which such loan is made. The loan will be extended in a manner compliant with Texas Government Code 2306.6710(b)(1)(E) and the relevant sections of the Texas Department of Housing and Community Affairs Qualified Allocation Plan for the year in which such loan is made, and any loan funds must be used in accord with said relevant Qualified Allocation Plan sections, so that the developer receives the maximum number of selection points for the funds provided. If a developer submits an application for a property that meets the requirements set out in this Agreement and incorporated Term Sheet, Frisco shall loan the requested funds to the developer in an amount equal to 5% of

Total Housing Development Costs as defined by the TDHCA QAP pursuant to Texas Government Code Section 2306.6710(b)(1)(E).

5. The Parties agree that in the event the State of Texas program providing for local government participation as set forth in Texas Government Code Section 2306.6710(b)(1)(E) is repealed by the State Legislature or omitted from a Qualified Application Plan, this Agreement and Term Sheet will then immediately end and terminate and there will be no further obligations on the part of ICP or Frisco hereto.

6. The Parties agree that the multi-family rental housing assisted by the grant referenced herein must be located within the City limits of the City of Frisco, and the developer applicant must secure property via a signed real estate contract or option to purchase that is already appropriately zoned for the development of the loan funded project and requires no zoning changes by the City, and must develop said property pursuant to all existing City of Frisco building and development regulations, codes, standards and ordinances. The location for the project must also be located in a census tract eligible for the one hundred twenty five percent (125%) Fair Market Rent in the Settlement Voucher program operated by the DHA pursuant to the HUD settlement in *Walker, et al. v. City of Mesquite, et al.*, filed under Civil Action No. 03-CV-85-1210, in the U.S. District Court for the Northern District of Texas. Further, such census tract must have a family median income that is at least eighty percent (80%) of the family median income as measured by the most recent U.S. Census for the Metropolitan Division that includes the City of Frisco, and the poverty rate for the population in the tract cannot exceed ten percent (10%) as measured by the most recent U.S. Census.

7. The Parties agree that the site for the prospective development(s) must be reasonably and substantially free from adverse environmental conditions, natural or man made, such as instability, flooding, septic tank back-ups, sewage hazards or mudslides, harmful air pollution, excessive smoke or dust, excessive noise, excessive vehicular traffic, nearby industrial zoning and nearby industrial uses, excessive rodent or vermin infestation, or fire hazards. The neighborhood must not be one which is seriously detrimental to family life or in which substandard dwellings or other undesirable elements such as high crime rates predominate. The site must be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services that are at least equivalent to those typically

found in neighborhoods consisting largely of similar but unassisted standard housing. The Parties agree that the standards in the foregoing paragraph are non-specific, and that ICP will notify any applicant developer and the City of Frisco if it objects to any prospective development site.

8. The location for any proposed development under this Agreement or Term Sheet must be located in the attendance zone of a public elementary school whose most recent Texas Education Agency rating was either "Recognized" or "Exemplary". The status of magnet or other schools with enrollment eligibility that includes, but is not limited to, the elementary school attendance zone in which the property is located does not satisfy this requirement.

9. As referenced previously herein, any loan under this Agreement shall not be made until the applicant developer receives an award of nine percent (9%) low income housing tax credits from the Texas Department of Housing and Community Affairs for such housing as is to be assisted by the loan.

10. The Parties agree that any loan between the City of Frisco and the applicant developer must provide for repayment of the loan by the developer to ICP. All repayments shall be made by the developer to ICP pursuant to the terms of the loan agreement referenced in Paragraph 3 of this Term Sheet. The Parties agree that the City of Frisco is not responsible for enforcement of any such repayment to ICP, and that the City is not responsible for said grant or loan funds, including, but not limited to, repayment of same to ICP, once said funds are awarded to any successful applicant developers.

11. The Parties agree that the greater of fifty (50) units or twenty five percent (25%) of the dwelling units in the property developed and receiving any loan under this Agreement must be set aside for occupancy by Section 8 Housing Choice Voucher participants referred to the project by ICP or the DHA. The property owner must agree to land use restrictions securing that set-aside obligation for the greater of the duration of the most senior financing for the development project, or the duration of the longest low-income use restriction in effect for other financing for the project. Units subject to use restrictions may include units subject to low-income use restrictions in connection with other project financing.

12. The Parties agree that gross rents for the units subject to any use restrictions may not exceed the applicable payment standard in effect for participants in the Section 8 Housing

Choice Voucher program. The project owner must agree to adjust the gross rent schedule accordingly in the set-aside units during the period of the use restriction.

13. The Parties understand and agree that the proposed developer and related property management company for any such project under this Agreement must have a documented history of developing low income housing tax credit properties with low crime rates, as well as a history of stable long term financial security and of working with local community service organizations and of providing programs to residents that assist development and upward mobility opportunities, and that to be eligible under this Agreement a developer may not have defaulted on any other City of Frisco project or any other low income housing tax credit property. The Parties further understand and agree that the City of Frisco has the right to approve any applicant developer seeking a loan under this Agreement based on any of the eligibility requirements referenced herein.

14. The Parties agree that to be eligible for a loan under this Agreement, any proposed developer/management team must assist prospective residents with some form of job training, employment opportunity, after school programs, child care, education opportunities, and/or related programs, which, at minimum, shall be what is typically provided for in a tax credit property's operating budget.

15. The Parties agree that screening and admissions policies for the project must not have the purpose or effect of limiting occupancy by participants in the Section 8 Housing Choice Voucher Program. The property project owner must agree to comply with the civil rights requirements of the Fair Housing Act, Title VI of the 1964 Civil Rights Act, Section 504 of the 1973 Rehabilitation Act, the Americans with Disabilities Act, and the Texas Fair Housing Act. The application for a loan to be provided under this agreement must disclose any pending civil rights complaints involving the project sponsor, developer, and/or any participant in the development or ownership of the project. A determination that any participant violated any civil rights law in the preceding three (3) years will disqualify a project.

16. The Parties hereto agree that this Agreement and incorporated Term Sheet are intended to be in operation and in effect for a period of three (3) years from date of execution of this Agreement or until the Two Million and No/100 Dollars (\$2,000,000.00) has been

distributed, whichever is less in time, and that said Agreement shall terminate thereafter unless renewed or amended by the Parties.

17. ICP and Frisco agree that each of their respective obligations are set forth herein and no other obligations or rights shall be implied or construed under this Agreement and incorporated Term Sheet unless expressly set forth therein, and that the Parties assume no obligations or liabilities for actions of applicant developers or related entities, except as to any expressly set forth herein.

ACKNOWLEDGE AS FOLLOWS:

**INCLUSIVE COMMUNITIES
PROJECT, INC.**

By: Elizabeth K. Julian
(Type or print Name)

Its: President
(Type or print Title)

[Signature]
(Signature)

CITY OF FRISCO

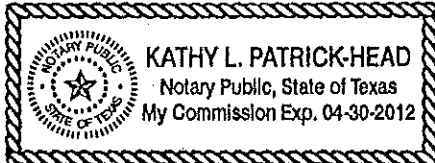
By: George Purefoy
(Type or print Name)

Its: City Manager
(Type or print Title)

[Signature]
(Signature)

STATE OF TEXAS)
)
COUNTY OF)

This instrument was acknowledged before me on the 16th day of October, 2008
by Elizabeth K. Salier as the President of Inclusive
Communities Project, Inc.



Kathy L. Patrick-Head
Notary Public, State of Texas

(NOTARY SEAL/STAMP)

STATE OF TEXAS)
)
COUNTY OF)

This instrument was acknowledged before me on the 22nd day of Oct., 2008
by George Purifoy as the City Manager of City of
Frisco.



Terrell L. McCord
Notary Public, State of Texas

(NOTARY SEAL/STAMP)